GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:814
ANSWERED ON:27.07.2000
CRISIS ON SILK CARPET INDUSTRY
PRABHAT KUMAR SAMANTARAY

Will the Minister of TEXTILES be pleased to state:

(a) whether the Silk Carpet Industry is facing a Serious crisis at present;

(b) if so, the reasons therefor;

(c) whether the proposal to impose duty draw back cap is one of them;

(d) if so, the steps taken to re-examine the decision; and

(e) the steps taken to assist the silk exporters to get rid of the crisis?

Answer

THE MINISTER OF STATE FOR TEXTILES (SHRI GINGEE N. RAMACHANDRAN)

(a) to (e): No serious crisis is being faced at present by the silk carpet industry which can be gauzed from the fact that the export of silk carpet during 1999-2000 has been to the tune of Rs.153.93 crores in comparison to Rs.136.44 crores registered during 1998-99, thereby showing an increase of 12.82 % in Rupee terms. However the Carpet Export Promotion Council, New Delhi has reported that the export of silk carpets during April - June, 2000-2001 has declined to Rs.30.71 crores from Rs.37.24 crores registered during the corresponding period in 1999-2000.

The reasons for this decline can be attributed to the overall recession in the world market, withdrawal of sanction by USA on import of carpets from Iran. It is premature to say that imposition of cap on duty drawback is one of the factors responsible for the decline in the export of silk carpets.